ORIGIN/ACTION

NEA-5

RM/R	REF	AF
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ARA	EUR	FE
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4	P 1	IO
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10	10	2
INT	LAB	TAR
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TR	XMB	AIR
2	4	5
ARMY	CIA	NAVY
5	10	3
OSD	USIA	NSA
16	8	3

EXCISE

DEPARTMENT OF STATE

AIRGRAM

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A-2573 NO. CONFIDENTIAL [redacted] HANDLING INDICATOR

1964 APR 15 PM 2 31

TO : DEPARTMENT OF STATE

INFO : AMMAN, BAGHDAD, BRUSSELS FOR USEC, CAIRO, DAMASCUS, TEHRAN, TEL AVIV.

RECAN ANALYSIS & DISTRIBUTION BRANCH

FROM : AmEmbassy, PARIS CA-8995 NEA

DATE: April 14, 1964

SUBJECT: France and the Middle East

REF : A. Embassy's airgram A-2463 of April 2, 1964 NEA
B. Airgram CEDTO A-946, April 1, 1964

[redacted] gave the Embassy the following information on French relations with the Middle East on April 2: [redacted] (3d) 3

1. General. In response to a question as to whether the French Government's interest in the Middle East has increased sharply, [redacted] described the situation rather as a normalization of relations with the countries of the area made possible by the end of the Algerian war in mid-1962. He mentioned also the remaining difficulty of overcoming the resentment on the part of the Arab countries at France's special relations with Israel. He said no large aid program is expected, but the normalization of political and commercial relations is likely to be accompanied by the extension of a certain amount of guaranteed export credits. In the subsequent conversation [redacted] showed clearly that French economic policies toward the countries of the Middle East will be governed in the first instance by the differing circumstances in each country. [redacted] (3d) 3

2. UAR. [redacted] [redacted] (3d) -3

2.

GROUP 3: Downgraded at 12-year intervals, not automatically declassified

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY [redacted] DATE 2/2/84

RELEASE [redacted] EXT. DATE 04 AP

TS AUTH Burke REASON(S) 6X1 Neuro

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CONFIDENTIAL

FORM DS-323

FOR DEPT. USE ONLY ☑ In ☐ Out

Drafted by: FIN/SHRogers/msw April 10, 1964

Contents and Classification Approved by: S.H. Rogers

Clearances: (draft)

FIN-D. Baron

POL-P. Sebastian

[redacted]

3. Syria. [redacted]

4. Iran. [redacted]

5. Iraq. [redacted]

6. Jordan [redacted] mentioned the expected visit of King Hussein to Paris in the fall. He noted that Jordan is essentially an artificial country, which he compared to Libya in this respect; the difference between the two being that Libya has found oil on which to base a more or less viable economy while Jordan remains totally dependent on foreign assistance until or unless petroleum resources are discovered there too. In response to a question about the Amman airport extension project [redacted] said this was a matter basically for private French business. It was pointed out

to him that Jordan is not in a position to service credits on commercial terms, and that the donor countries supporting Jordan would in the final analysis have to pay the cost of such credits. [redacted] indicated that he understood the point (mentioning the opposite situation in Mauritania where it appears that the French Government may have to pay the costs of infrastructure connected with the essentially Canadian-American revival of the Micuma project). However, he indicated that credit guarantees of more than ten to twelve years or with a subsidized interest rate were essentially beyond the range of possibility.

Comment: [redacted] discussion demonstrated a revival of French economic and commercial interest in at least certain countries of the Middle East in response to the opportunity presented by the conclusion of hostilities in Algeria. It is evident that French foreign aid policies in the area follow basically the same principles as those applied concerning French aid in other parts of the world outside the franc area. In the Middle East as elsewhere, the French are looking for opportunities to increase their influence and serve their interests by extending economic assistance (when funds again become available) and cultural and technical aid to areas hitherto not touched by the French aid program. However, the program can be expected to be limited in the Middle East very largely to countries (a) which have the resources, the social and political stability, and a current level of economic development which imply the probability that credits will be used productively and will be repaid as agreed upon, and (b) which show a proper respect for past and present French commercial interests where they exist. Elsewhere French aid has been limited for the most part to token economic assistance and cultural and technical assistance personnel, and the French Government is likely to continue to follow this policy for the indefinite future.

Reference B, on the DAC meeting on the Middle East, includes further information on French attitudes toward the UAR, Syria and Iran.

For the Ambassador:

Stephen H. Rogers

Stephen H. Rogers
Second Secretary
of Embassy